



# Iowa Department of Human Services

Terry E. Branstad  
Governor

Kim Reynolds  
Lt. Governor

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Director

## INFORMATIONAL LETTER NO.1589-MC

**DATE:** December 11, 2015

**TO:** All Iowa Medicaid Providers Excluding Individual Consumer Directed Attendant Care (I-CDAC)

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** Reimbursement Rates for Providers Participating with Managed Care Organizations (MCOs)

**EFFECTIVE:** January 1, 2016

The state is expanding its Safe Harbor measure to support providers through the first quarter of the transition to the new IA Health Link program.

Now, regardless of managed care organization (MCO) participation, the MCOs will pay all Medicaid-enrolled providers 100 percent of the established rate reimbursement floor for covered services for the first three months of the program.

- For dates of service January 1, 2016, through March 31, 2016, the MCOs will be required to pay the claims for covered services to existing Medicaid providers at 100 percent of the established floor whether a provider is in-network or out-of-network. For patients who remain in the Fee-for-Service (FFS) program, providers continue to be paid 100 percent of the current FFS rate.

The Governor announced the Safe Harbor extension this week, which increases reimbursement from 90 percent for out-of-network providers to 100 percent for the first three months of the IA Health Link program. Beginning April 1, 2016, providers must participate with the MCO to receive full reimbursement for providing covered services to members of the health plan.

Along with several major hospital systems signing contracts with the MCOs, this Safe Harbor expansion supports a robust provider network for the IA Health Link program beginning January 1, 2016.

Providers may contract with as many of the four selected MCOs as they wish and are encouraged to complete the contracting process with MCOs as early as possible.

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909, or email at [IMEproviderservices@dhs.state.ia.us](mailto:IMEproviderservices@dhs.state.ia.us).